

EXHIBIT H
PARTICIPATION OF NONPROFIT IN ON GOING OPERATIONS

IRC Section 42(h)(5) requires the State Allocating Agency to set aside not more than 90 percent of the annual housing credit ceiling to projects other than those involving qualified nonprofit organizations. Projects involving qualified nonprofit organizations are defined under Section 42(h)(5)(b) as *'if the qualified nonprofit organization is to own an interest in the project (directly or through a partnership) and materially participate (within the meaning of section 469(h)) in the development and operation of the project throughout the compliance period'*.

Please submit for our review an attorney's opinion letter (in the format provided-see Exhibit H Attachments 1 and 2 at www.state.tn.us/thda/Programs/lihtc/concvt.htm) that states that the nonprofit is an organization recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4) organization and is validly existing and in good standing under the laws of the State of Tennessee. Also include in that opinion letter that the nonprofit is not affiliated with or controlled by any for-profit entity and that one of the exempt purposes of the nonprofit includes the fostering of low-income housing. In addition, the attorney must attest to the official capacity of the nonprofit in the operation of the project during 2006 by identifying the number of hours and type of services the nonprofit performed for the project that meets the criteria defined as material participation in IRC Section 469(h). This information must be submitted with this completed form and returned to the following address no later than February 15, 2007.

Division of Program Compliance
Tennessee Housing Development Agency
404 James Robertson Parkway, Suite 1114
Nashville, Tennessee 37243-0900

PROJECT INFORMATION

Project Identification No.: TN

Project Name: _____

Project Street Address: _____

City: _____ Zip Code: _____

Owner: _____

IDENTIFICATION OF QUALIFIED NONPROFIT:

Nonprofit: _____ Taxpayer I.D. No.: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Daytime Telephone Number: _____

IDENTIFICATION OF ATTORNEY OR FIRM RENDERING OPINION:

Attorney or Firm: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Daytime Telephone Number: _____

